The Analysis about Canadian Economic

As the world's second-largest country by land, Canada has become the 10th-largest economy. The economy of Canada is a highly developed mixed economy. Natural resources, agriculture, manufacturing industries, and services mainly affect this developed country's economic growth. This paper will mainly discuss how Canadian economic growth, the chief challenges it is facing, and some suggestions for Canada's future economy by analyzing Canada's past, present, and future economy.

Part A: The Past Economy in Canada

Canada is in the north part of North American, because of its unique geographical location and topography, it is rich in natural resources which played a great role in its beginning economics which also influence its export in the world. Before Canada became independent, it was controlled by the British for approximately three centuries. After Canada became liberated and the "Canada Act" established, Canada became freer in developing its economy, and its global trade has thrived.

1. The GDP and GDP per cap in past Canada

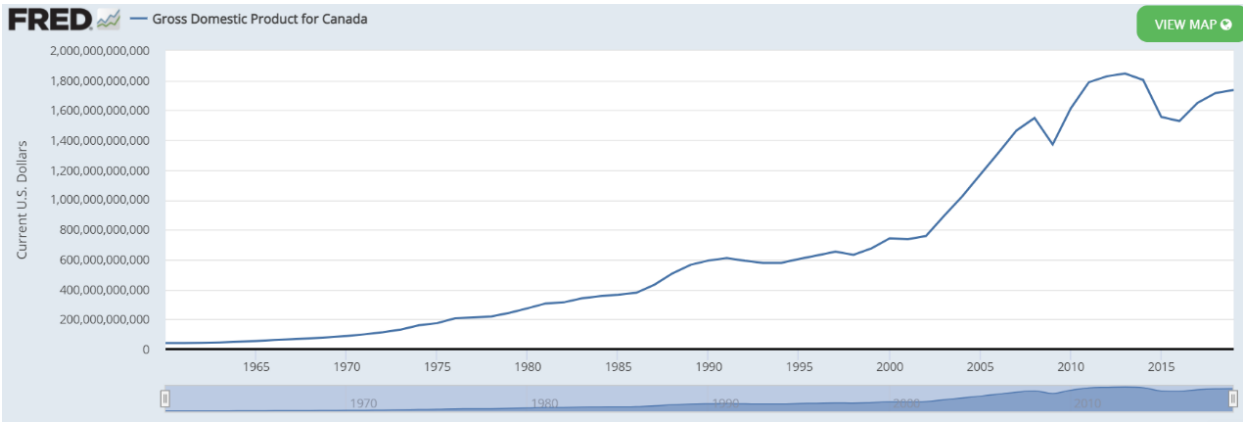

Chart 1

Chart 1. The graph of GDP for Canada. Accepted for Gross domestic product for Canada. (2020, December 17). Retrieved April 10, 2021, from https://fred.stlouisfed.org/series/MKTGDPCAA646NWDB

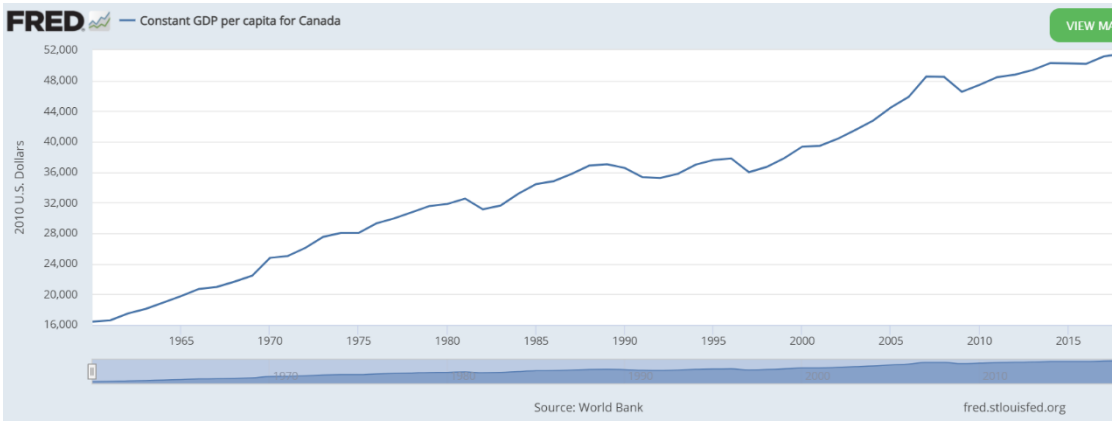

Chart 2

Chart 2. The graph of Canada's GDP per capital. Accepted from Constant GDP per capita for Canada. (2020, December 17). Retrieved April 10, 2021, from https://fred.stlouisfed.org/series/NYGDPPCAPKDCAN

From Chat 1 (Canadian GDP), it is easy to see that before 2003, the GDP of Canada grew slowly. But there exists a rapid increase from 1987 to 1990. After 2003, the GDP was in rapid growth, but around 2008 to 2009, it dropped 0.2 trillion dollars which approximately likes 2006's GDP. After that, it grew. Until 2014, it decreased again, and the number dropped more than the 2008's. And then, in 2015, it grew again.

As for the GDP per capita, the tendency was increasing, but in 1983,1993, 1997, and 2009 all existed a short decrease in the GDP per capita.

Concisely, though there existed some short decrease in several years, both Canada's GDP and GDP per capita were in an increasing tendency. Further, the number of these two records is high. Besides, the growth of Canada's GDP in the past years is slower than the present.

2. The Importance of Natural Resources (take the fishery as an example)

Canadian special location offers this country a widely varied physical geography and vast coastline, plus its gigantic territory, the quantity and types of natural resources can be massive. In Canada, the industries of the fishery, agriculture, forestry, and mining were flourishing.

During the 1500s, when the earliest European came to the East Coast of Canada, Newfoundland was exploited to become one of the world's biggest fishing grounds because of its large shoal of fish, like cod. (Hargreaves B. 2020) Thanks to European settlements, both Atlantic fisheries, and Pacific fisheries were opened which laid the foundation for the early fisheries in Canada. After that, Canadian technology of catching fish has been developed a lot, such as the Bluenose built in Lunenburg which enrich both quantity and types of catching fish. During World War II, the demand for fish was boosted. According to Robert W. King (2015), from 1910 to 1942 the total cases of canned salmon in British Columbia were 1.6 million, while more than 2 million canned salmon were produced in the Second World War, with a peak of 2.25 million in 1942. According to Chart 3 (the fish and seafood market in Canada from 2012 to 2025,2021), from 2012 to 2020, though the growing speed is slow, the revenue of the seafood and fish market was on the increase.

Further, the amount of revenue that fishing industries bring to Canada is large. According to Chart 4(Canada's GDP in 2012,2021), the GDP in 2012 is 1.829 trillion

USD, and the fishery approximately accounts for 13% of its GDP which shows sea resources do a great role in developing Canada's economy.

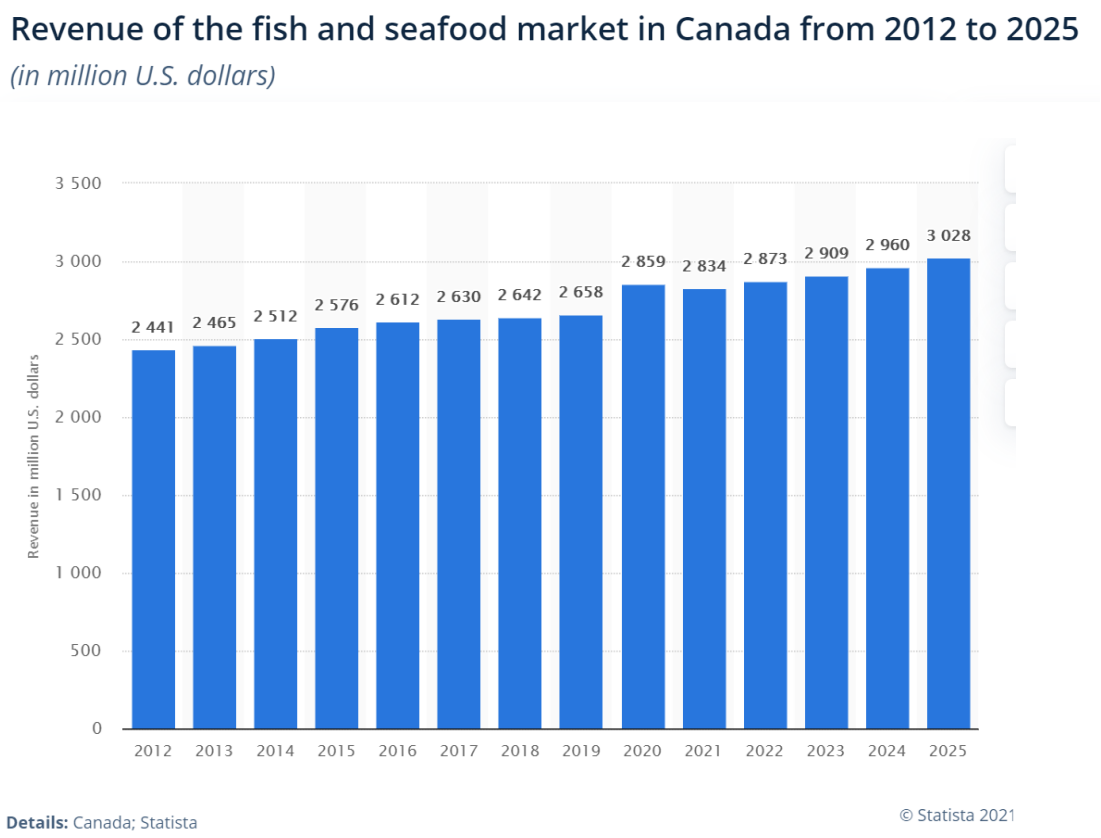

Chart 3

Chart 3. The graph of revenue of the fish and seafood market in Canada from 2012 to 2025. Adapted from Fish and seafood revenue Canada by Department, P., & 19, M. (2021, March 19). 2012-2025. Retrieved April 10, 2021, from https://www.statista.com/forecasts/1222915/revenue-fish-and-seafood-market-canada

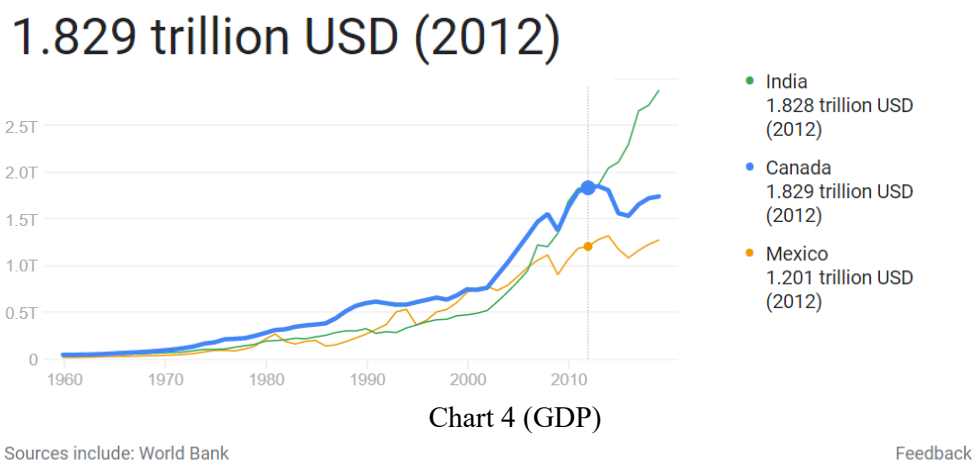

Chart 4 (GDP)

Chart 4. The graph of Canada's GDP in 2012. World Bank (2021). Retrieved April 10, 2021.

In conclusion, Canadian large natural resources do a lot in its economy until now and even future. To a certain degree, Canadian large resources can satisfy its people's wants which can cuts down some limited resource problems and make its economic operation works normally.

3. Export and Import of Goods and Services in Past Canada

Since Canada's independence, it sighed many free-trade agreements with diverse countries. The history of Canadian economic development focused on its large number of natural resources and export as well. At the same time, the Canadian service industry also plays an important role in its export.

According to Statistics Canada (2015), "In 1890, the leading exports comprised sawmill products, cheese, fish, cattle, nickel, and copper. By 1920, wheat and wheat flour had become the leading export. Cattle, fish, and cheese were still important, but primarily because of wartime demands." This can show that how to import the natural resources are in the past Canadian export economy. Further, with

the development of the service industry, more services are devoted to global trade. In Canada Government website (2013), it states that “in 2000, the European Union imported about $9.6 billion of Canadian services and $14.5 billion in 2012” and “The United States remains Canada's principal trading partner in services, accounting for 53.4% of Canada's total services exports in 2012 (compared with 73.2% of goods exports) and 58.2% of Canada's services imports”. These statistics show that both on goods and services, Canadian exporting ability is strong which will lead to the growth of its economy.

According to charts 5 (Graph of the Exports of goods and services (% of GDP) – Canada,2021) and 6 (Graph of Imports of goods and services (% of GDP) – Canada,2021), the tendencies of Canadian export and import in GDP percentage are much similar. Both are increased from 1965 to 2015 (17% to 45%) and came down since 2000 (45% to 30%). The exports are a little higher than the imports which shows that Canadian net exports in these years are positive. In 2000, the exports and imports are in a large percentage of this year’s GDP, and this rate was controlled until 2010 which maintains around 30%.

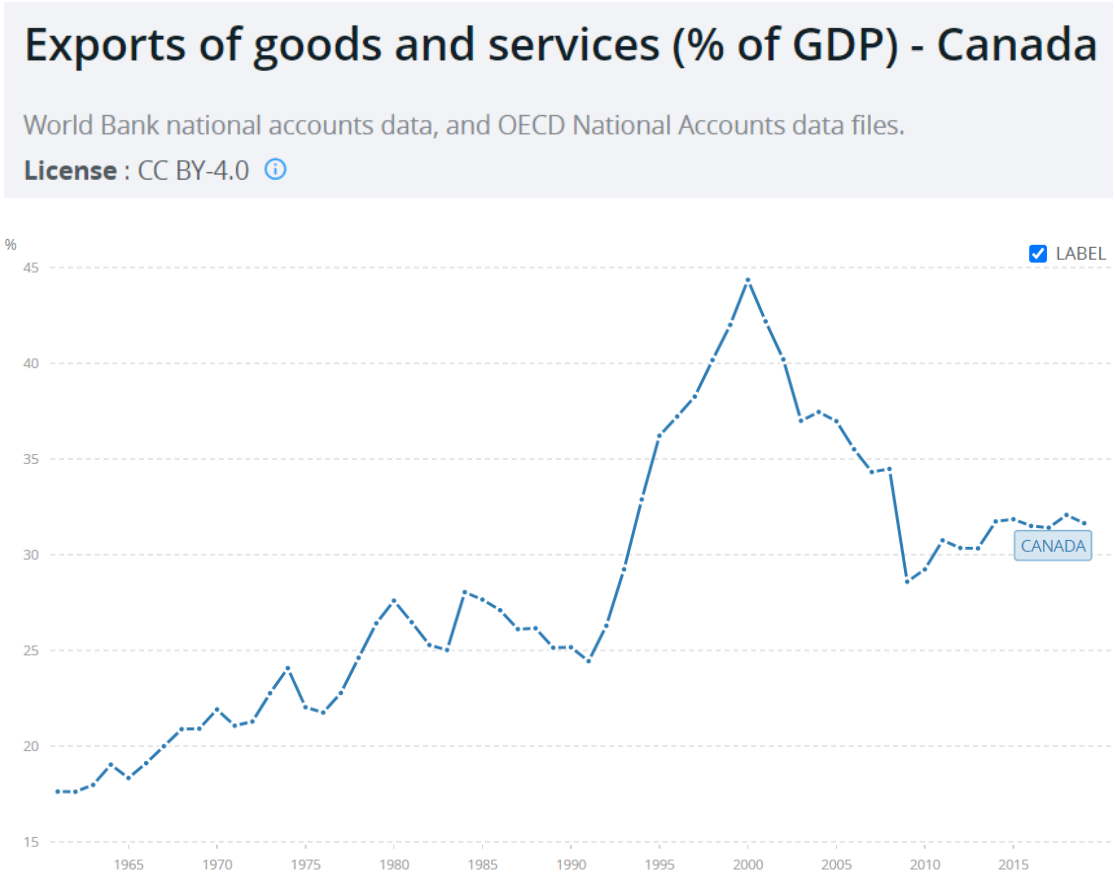

Chart 5

Chart 5. Graph of the Exports of goods and services (% of GDP) - Canada. Adapted from the World Bank. Retrieved April 25, 2021, from https://data.worldbank.org/indicator/NE.EXP.GNFS.ZS?locations=CA

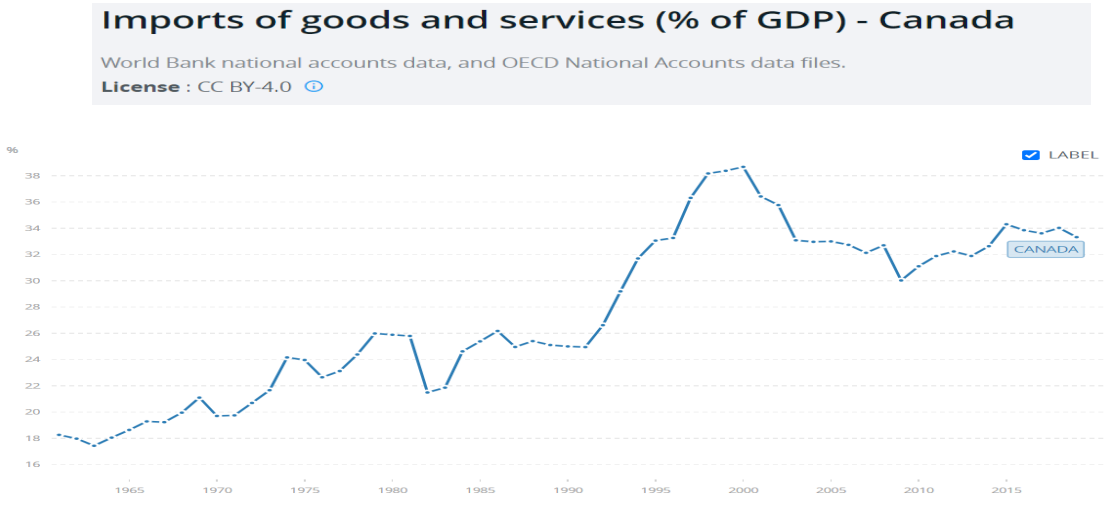

Chart 6

Chart 6. Graph of Imports of goods and services (% of GDP) - Canada. Adapted from the World Bank. Retrieved April 25, 2021, from

https://data.worldbank.org/indicator/NE.IMP.GNFS.ZS?locations=CA&view=chart

Briefly, in the past, though Canadian exports and imports in the proportion of GDP erratically grow up, they became stable since 2010 and played a certain role in the contribution of GDP. Therefore, the Canadian positive global trade situation developed its past economy.

4. Unemployment

Chart 7

Chart 7. The figure of Unemployment Rate in Canada from 1921 to 2001. Adapted from Tencer, D, 2017, Economist's mark Canada 150 by showing how much Richer we've gotten. Retrieved April 25, 2021, from https://www.huffingtonpost.ca/2017/07/04/canada-economy-performed-over-past-150-years_a_23012644/

Chart 7(Tencer, D, 2017,) shows that the unemployment rate from 1921 to 2001 in Canada is not in steady change, but the records are all in the range from 0 to 20 (they did not reach these two figures). Further, during this time, there exists two high unemployment both are at the beginning of the 1930s (30 %) and 1980s (17%), and this two high unemployment were influenced by the economic recession. From the 1950s to the 1960s, the unemployment rate is low than 5% which is a very good number in the unemployment rate by comprising America's unemployment rate is 5% in 1954.

In the past, 80% to 90% of people in the labor market had jobs and can earn money by themselves. And the whole country's purchasing power will be strong which can benefit Canada's economy. Meanwhile, workers' contribution to producing the goods or services will increase. However, the inflation rate could be increased more quickly than in other years and productivity can decrease to a certain extent during the 1950s to 1960s because of the lower employment rate.

In conclusion, by comparing presents Canada's unemployment rate—proximately 6%, 1950's-1960's unemployment rate is lower which is sub-5%. However, a high unemployment figure also took place in these years, the Great Depression, when Canada's official unemployment rate topped out at a record 19.3 percent in 1931. Therefore, only by looking at the unemployment rate records in the past, the economy in Canada is not steady.

B. The Present Economic of Canada

With the expansion of COVIN-19, the Canadian economy is forced into a recession because of limiting economic activity in the whole country. In the first 2 quarters, Canadian economic growth became negative, it has dropped at an annual rate of -38.7% in the second quarter of 2020. (Press, 2020) Canadian real GDP, exports, private consumption, and unemployment rate is in a negative state.

1. Real GDP

Because of the global expansion of COVIN-19, the whole country's economic activities are limited. Numerous firms closed and the output quantity decreased which led to lower productivity. Consequently, Canadian real GDP also decreased at present (2020).

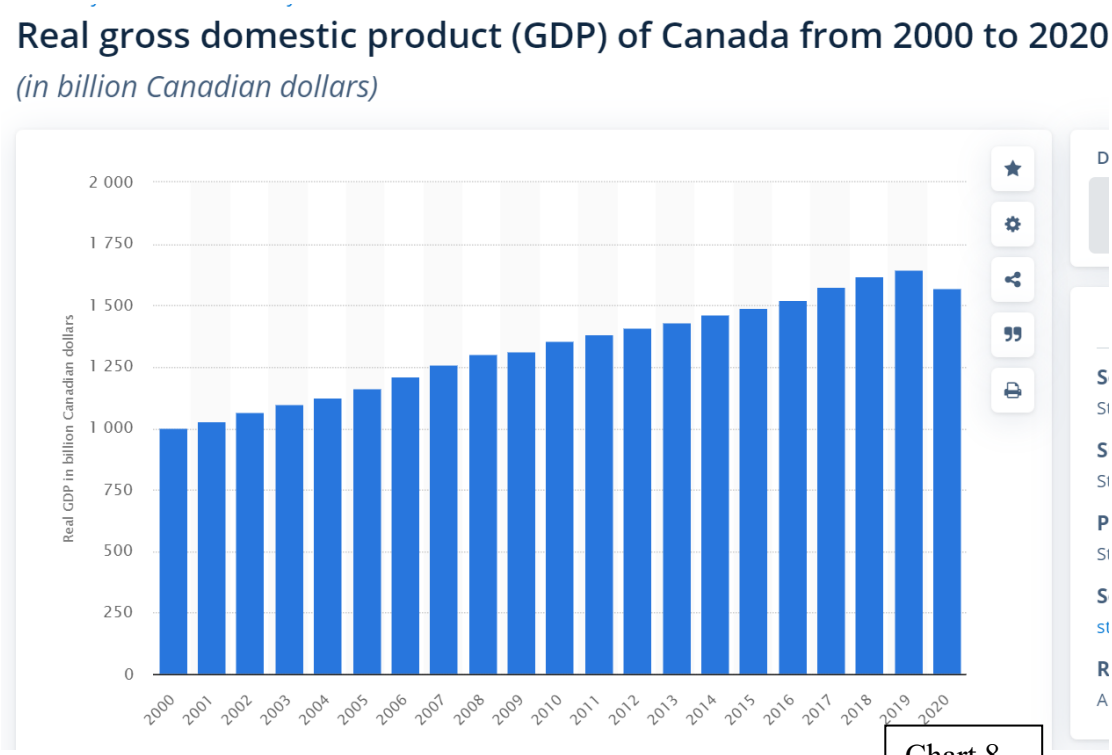

Chart 8

Chart 8. The graph of Real GDP in Canada from 2000 to 2020. Adapted from Varrella, P., & 7, A. (2021, April 07). Real gross domestic product (GDP) Canada 2020. Retrieved April 28, 2021, from https://www.statista.com/statistics/650869/real-gdp-canada/

According to chart 8 (Varrella,2021). In 2020, the real GDP of Canada was around 1.57 trillion Canadian dollars at 2012 constant prices. Compared to the previous year, Canada's GDP dropped. Canadian real GDP grew from 2000 to 2019, but as to 2020, the number came down. The real GDP in 2020 is similar to 2017's which shows it has fallen back three years.

In conclusion, the outbreak of 2020's global epidemic contributes to the decrease of Canadian real GDP, the whole country's production has been injured.

2. Exports

The COVIN-19 pause Canadian exports, according to Shekel (2020), the economist at Global Affairs Canada, the number of Canadian exporters declined 10.7% in March 2020 compared to March 2019, as the global impacts of COVID-19 took hold.

According to chart 9 (Varrella,2021), in 2020, Canada exported goods and services worth about 683.08 billion Canadian dollars. The total Canadian exports of goods and services are dropping a lot in 2020 which decreases to the same level as in 2016. Furthermore, in 2019, the exports of goods and services amounted to 774.37 billion Canadian dollars. Comparing with the previous year, 2020's export value declines approximately 100 billion Canadian dollars, which is about one-tenth of 2020's real GDP (chart 8). This drop can also be one of the reasons for the weakening of present economic growth.

To sum up, COVIN-19 stops Canadian present economic which can be seen at the exports decline.

Chart 9. The graph of the total volume of exports of trade goods and services in Canada from 2000 to 2002. Adapted from Varrella, P., & 7, A. (2021, March 15). Canada: Exports of goods and services 2020. Retrieved April 28, 2021, from https://www.statista.com/statistics/463912/volume-of-exports-of-trade-goods-and-services-from-canada/

3. Private Consumption

Numerous local stores and marks are forced to close because of the pandemic of 2020, and this behavior leads to the limitation of Canadians private consumptions. The COVID-19 affected consumer behaviors. Consumer is one of the most important elements in GDP data and one country's economy growth. Limited consumption behavior can cause the weak exchange of outputs and slow growth in economy.

Looking at the chart 10 (The graph of Canadian Private Consumption from 2017 Q4 to 2020 Q4, n.d.), in 2020 Q2, there exists the trough in the private consumption which dropped 14.68% in the present quarter. This negative change number in the Canadian private consumption data is lowest in these four years.

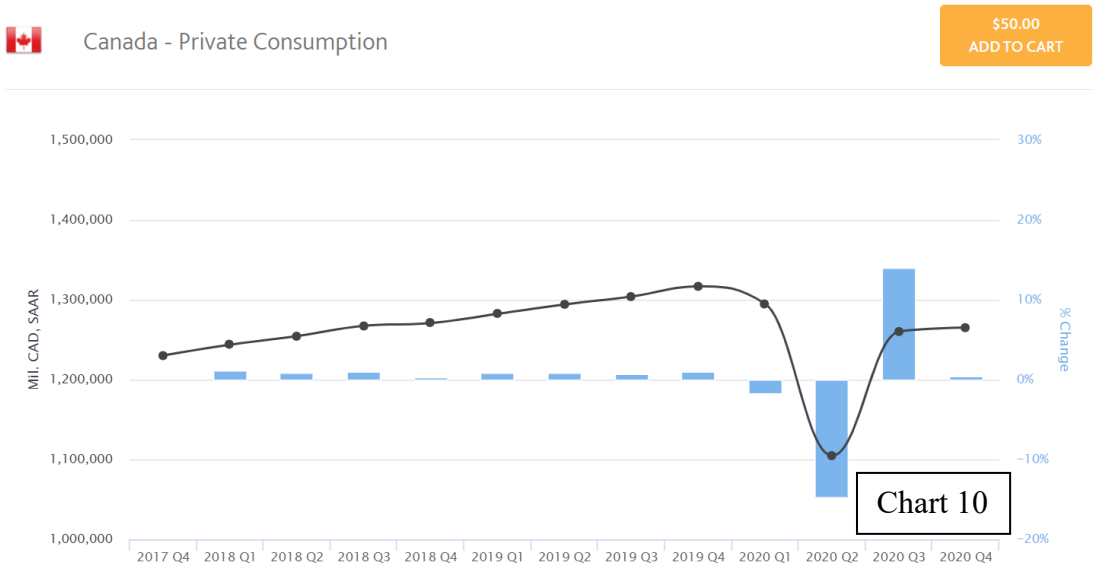

Chart 10. The graph of Canadian Private Consumption from 2017 Q4 to 2020 Q4. Analytics, M. (n.d.). Canada - private consumption. Retrieved May 12, 2021, from https://www.economy.com/canada/private-consumption

Another data of chart 11 (private final consumption expenditure in Canada, 2021), shows that this COVIN-19 year was hurt in the private consumption part and made this figure back around five years. During this epidemic, more money is saved

by household because of this limited economic situation, instead of costing them on final goods and services.

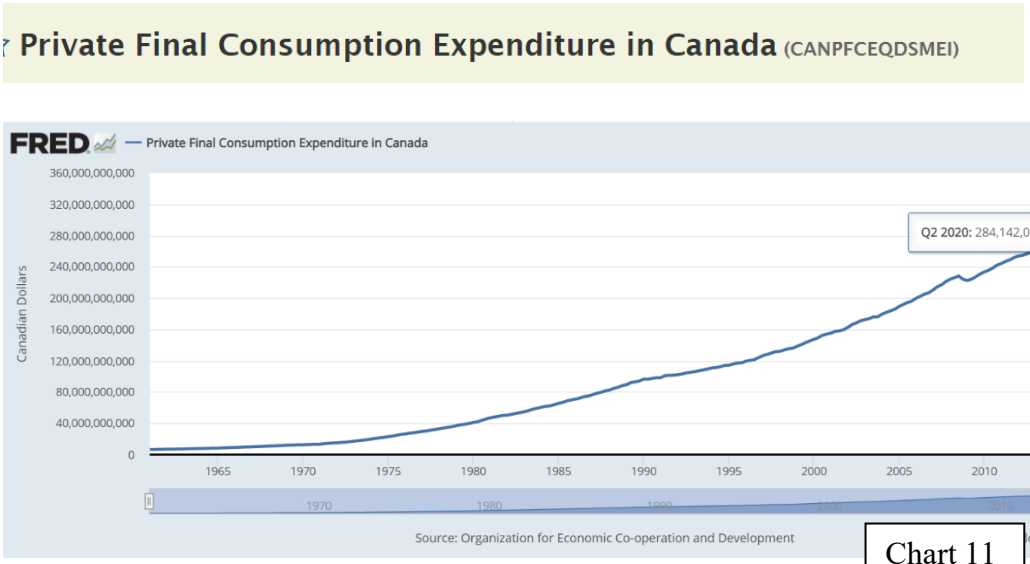

Chart 11

Chart 11. The graph of Canadian private final consumption expenditure. Adapted from private final consumption expenditure in Canada. (2021, March 16). Retrieved May 12, 2021, from https://fred.stlouisfed.org/series/CANPFCEQDSMEI

To sum up, present Canadian private consumption is dropping a lot than before, and this decrease is also a one of the reasons for Canadian present low real GDP.

4. Unemployment Rate

According to the Canadian national statistical office (2021), the unemployment rate in Canada rose by 0.6 percentage point to 9.4 per cent in January, the highest rate since August 2020. Press (2021), the Canadian Press, wrote in the CTV news, OTTAWA -- Canada's labor market lost 207,000 jobs in COVID-19 variant cases. This global epidemic causes many individuals losing their opportunities to earn income.

Chart 12 (rate of unemployment in Canada from 2000 to 2020) demonstrations the that the 2020's Canadian unemployment rate is 9.5% which almost twice as much as

the 2019's. This 9.5% figure of unemployment is the highest through these twenty years.

Chart 12. The graph of Canadian unemployment rate from 2000 to 2020. Adapted from Varrella, P., & 9, M. (2021, March 09). Unemployment rate Canada 2020. Retrieved April 28, 2021, from https://www.statista.com/statistics/578362/unemployment-rate-canada/

The unemployment rate is higher among visible minorities. Moetaz (2021), the reporter of CIC news, said, the unemployment rate for visible minorities increased half of a percentage point, to almost 10 per cent in April 2021. For white Canadians, the unemployment rate did not change much, and was at nearly 8 percent.

In conclusion, due to the outbreak of the COVID-19, Canadian employment rate has been hit badly. With the high unemployment rate, the whole Canadian economy growth is being paused a lot.

C. The Canadian future economy

With the easing of the second round of the epidemic, the impact of COVIN-19 has gradually diminished, and people start to look forward to the future. Meanwhile, the government of Canada proposing ways to revitalize the economy, and we all are looking forward to economic of Canada recovery.

1. The employment

In 2020, retail trade, accommodation and food services, and information, culture, and entertainment are affected by the Covid-19, and the unemployment rate has increased significantly. The accommodation and food service industry lost 59,000 jobs in April. Most of these losses came from Ontario and British Columbia. This is because these provinces have reintroduced orders, forcing restaurants and bars to close indoor dining at the end of March and early April. Employment in the information, culture, and entertainment industries fell by 26,000. Employment restoration is restricted because current public health measures affect travel, indoor entertainment, and limit the number of people who can gather in public places. Employment in the retail trade industry fell by 84,000 in April. Non-essential stores in Ontario, Alberta and many Quebec areas were severely restricted (Moetaz, 2021).

The service industry is the foundation of the economy, but it has been hit hard by the COVIN-19, it is hard be changed in a short time. However, it still has a bright

future, because the impact of covid-19 has gradually diminished. Comfortingly, the employment rate is increasing.

What Are The Labour Force Survey Highlights?

Unemployment rate (%)	7.5
Employment rate (%)	50.3
Labour force participation rate (%)	65.2
Number unemployed	1,516,700
Number working	18,834,300
Youth (15-24) unemployment rate (%)	14.0
Men (over 25) unemployment rate (%)	6.6
Women (over 25) unemployment rate (%)	6.2

Source: Statistics Canada

Chart13

Chart 13. The graph of Canadian unemployment in covid. Adapted from Immigration.ca (2021, April 9). Retrieved April 9, 2021, from https://www.immigration.ca/canadas-unemployment-rate-of-7-5-lowest-since-before-covid-19-struck

Immigration indicated (2021), that young people between the ages of 5 and 24 have seen the most significant growth. They have added 115,000 jobs and the unemployment rate is 14%. In the core age group of 25 to 54 years old, 87,000 jobs were added in March, which was based on an increase of 134,000 in February. Within the age range of 55 and over, an additional 101,000 jobs have been added. The unemployment rate is gradually decreasing and gradually returning to normal, and the high employment rate will boost the economy.

2. immigrants

Canada is different with other country, because Canada is migration country, and immigrants not only can work; but also, they can buy stuff and increase the demand of product. In other word, immigrants are the future of this country. Therefore, the arrival of new immigrants is also an important indicator of the future of the economy.

The epidemic did not have a negative impact on immigration to Canada. During the epidemic, Canada borrowed unprecedented funds to subsidize its economy. Fiscal stimulus measures were taken to support the people and employers, and to cover expenses related to the new coronavirus. In recent weeks, Canada has been increasing vaccine shipments and vaccination. The sooner this happens, the sooner the Canadian economy recovers. The United States will be able to relax vaccine exports to countries such as Canada (El-Assal, 2021).

It is also important to remember the main reasons why Canada is still attractive to new immigrants. Canada hopes to welcome new immigrants from all over the world, currently excluding temporary foreign workers, international students, family members of Canadian citizens and permanent residents. Throughout the epidemic, the federal and provincial governments have been inviting new immigration candidates and eventually allowed them to enter the country when the situation improves. Canada has doubled its commitment to immigration and plans to add 400,000 permanent residents each year from 2021 to 2023. Canada is the only country in the world that offers more than 100 economic immigration channels. Given the diversity of these channels, it should not be difficult for Canada to find enough candidates after the epidemic (El-Assal, 2021).

Immigration to Canada will rise sharply after the Covid-19, all those immigrants will inject new vitality into Canada's economy and help Canada get out of the predicament of the epidemic.

3. Financial market

Financial market, which will rule all in money in the market, which will provide financial support to all industries. Only an active financial market can have a prosperous economy. In Covid time, people won't leave his house, people have enough time to invest or buy bonds, and they will make the financial market much active.

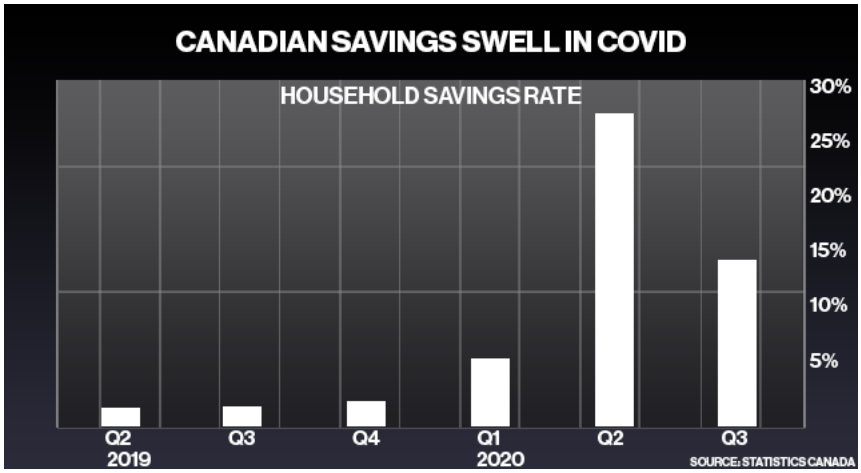

Chart14

Chart 14. The graph of Canadian savings swell in Covid. Adapted from Leong, M. (2020, Dec 14). savings in Covid. Retrieved 2020, Dec 14. from https://ampvideo.bnnbloomberg.ca/the-future-of-money-after-the-pandemic-will-you-have-your-own-financial-pandemic-1.1535301

With less to spend on, households have saved in excess of $150 billion more than normal times (the savings rate hit a record 27.5 per cent in the second quarter of the year (Leong, 2020). More and more money people deposit money in bank, and the bank can lend money to the company, which can help companies tide over difficulties in the Covid. After the Covid, the bank can have enough money to support companies resumes production.

Under the influence of the prosperous financial market, the economy has a bright future.

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